



## U.S. Department of Justice

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Press Release

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### **Ricko International (doing business as) Dr. Comfort and Former CEO Agree to Criminal and Civil Resolution of \$27 Million for Health Care Fraud Charges**

United States Attorney James L. Santelle for the Eastern District of Wisconsin announced today that the United States has filed a criminal information and plea agreement that had been reached with Rickey Kanter, former Chief Executive Officer of Ricko International (doing business as Dr. Comfort), of Mequon, Wisconsin resolving allegations of fraud against the Medicare Program. The United States also reached a civil settlement with Kanter and Dr. Comfort for \$27 million pursuant to the Federal False Claims Act.

The agreements arose out of an investigation into the selling of shoe inserts for diabetic patients by Dr. Comfort that were falsely represented and marketed by Dr. Comfort as conforming to Medicare's requirement for those products. As charged in the criminal information, Dr. Comfort manufactures, markets, and sells therapeutic shoes and inserts for use primarily by individuals with diabetes and severe foot disease. In 2004, Dr. Comfort began selling diabetic shoe inserts that failed to conform with Medicare's requirements for those products. Many of those products were provided to beneficiaries of the Medicare program and, therefore, the inserts were reimbursed by Medicare. Despite being advised that the inserts did not conform to Medicare's requirements, Kanter continued to sell the non-compliant inserts in 2006.

Pursuant to the plea agreement, Kanter has agreed to plead guilty to a felony charge of mail fraud. The government has agreed to recommend that Kanter be sentenced to 18 months in prison. Kanter is free to argue for a lower sentence. Kanter's sentence will be determined by a federal judge at a later date.

The civil settlement resolves two lawsuits filed under the *qui tam*, or whistleblower, provisions of the False Claims Act, which allow private citizens with knowledge of fraud to bring civil actions on behalf of the United States and share in any recovery. As a part of today's resolution, the whistleblowers, both former employees of Dr. Comfort, will receive payments totaling more than \$4.8 million from the civil recovery.

In addition, under an agreement with the United States Department of Health and Human Services Office of the Inspector General, Kanter has agreed to be excluded from participation in all federal health care programs, including Medicare and Medicaid, for a period of fifteen years. Dr. Comfort is separately entering into a five year corporate integrity agreement with the Department of Health and Human Services Office of the Inspector General.

In announcing this settlement, Santelle commented: “Today’s resolution with Mr. Kanter and Dr. Comfort reflect the ongoing commitment of the Department of Justice and, in particular, the United States Attorney’s Office for the Eastern District of Wisconsin, to combat health care fraud. I commend specially the Office of the Inspector General of the United States Department of Health & Human Services and the Federal Bureau of Investigation for their outstanding work in identifying this misconduct and supporting to its beneficial conclusion the prosecution of the civil and criminal actions against Dr. Comfort.”

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